

G.R.S. IX-5]

Previous references.

(1923-24)

File No. 204-23

Serial Nos. 7.

Later references.

7. 7. 204-23-243

4. 7. 112-24-12

G.P. 85.25(1+2)

9. 7. 68-32(1-2)

GENERAL AND REVENUE SECRETARIAT.

204-32-24

9. 7. 63-60(1-2)

5204-50678

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Serial Nos. 1

Part B for March 1924

SUBJECT

Elimination of pie in Govt. Accounts.

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To
The Heads of Depts.
Secretaries
Dep. Comptroller

No. 204-5301-64 of 26-3-1924.

Issues certain instructions re:-

15/4/24

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No.

Elimination of pies in Government accounts.

Extract from the report of Sir Basil Blackett's (Finance Member) speech to the Associated Chambers of Commerce at Bombay. (Hindu, 5th December 1923.)

" Sir Basil Blackett explained that Government had given their thoughtful consideration to the question and that for all practical purposes, pies were being eliminated in Government accounts. It is desirable to consider how far we may adopt the above suggestion. Payments of all kinds to be made by Government on account of services rendered or materials purchased can, I think, be brought under the rule, as it is easy to make the rule ^{itself} a constant condition in all contracts relating to such payments.

3) Even in regard to transactions of the nature of deposits and ^{their} refunds, it is worth while considering whether the advantage of ^{avoiding} the arithmetical trouble involved in the calculation of pies is not a sufficient justification for eliminating pies altogether and requiring all transactions of this character ^{also} to be made into multiples of annas. Even as regards items of revenue, it may be possible in many cases to eliminate pies, for example, in the case of income tax it may perhaps be possible to provide for this simplification in the rules of recovery.

Except ~~where~~ where a payment has to be made under the law and the amount involved includes pies.

I have found this has
already been done
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General and Revenue
Secretariat.

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it may be possible in all other cases to make a pay-
ments ^{without involving} ~~with the elimination~~ of pies.

Though all transactions in pies cannot be
obviated, it is worth while avoiding them in as many
cases as possible.

The Comptroller is requested to consider this
proposal and suggest transactions from which pies
can immediately be omitted.



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Secretariat.

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Serial
No.Salary, Establishment, Travelling Allowance
and Contingent bills & Pensionary contribution

1. (i) In the case of salary and Travelling Allowance bills of Gazetted officers and of establishments pies may be eliminated not only in the total of a bill, also in each of the several items that work up to the total. Claims of non-gazetted officers and menials on account of travelling allowance may be rounded off to the nearest anna after arriving at the total claim in each bill. It is only in rates that it is not feasible to eliminate pies.

(ii) In the case of contingent bills and bills on account of supplies and services, pies may be omitted in the bills of firms and contractors. In accepting rates for the supply of different kinds of articles to Government, however the rates may include pies also the rounding being applied to the totals of bills.

Contractor's bills and Deposits (Forest).

2. The elimination of pies in the contractor's bills allowed in the Public Works Department under Art.93 Mysore Account Code Vol.III Part I may also be given effect to in the case of Work bills of the Forest Department. In the case of Forest Deposits, the amount of earnest money received will not be in round figures as it ^{will} be one-fourth of the sale amount with an added percentage on account of cesses - Local, Railway and Education. In these cases also the deposits to be received may be rounded off to nearest annas and the repayment of deposits will follow the same rule.

3.

Public Works

In the case of Public Works Deposits other than

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deposits for contribution works, pies cannot be omitted in the case of items 4,5 & 6 referred to in Article 423 M.A.C.Vol.III Part I. In stock purchases also, pies may be omitted by rounding off the bills to the nearest anna. This may be done in the case of stock sales also, and any difference in value ^{while} ~~by~~ taking stock may be adjusted by debit or credit to Government according to rules.

In the calculation of charges for establishment and tools and plant recoverable from different funds and service departments pies may be omitted.

It is not convenient to omit pies under miscellaneous advances in the case of item Nos.2,3 & 4 of Art.420 M.A.C.Vol.III Part.I.

4. Electrical Department.

In the Electrical Department, pies are appearing in the Power and Lighting Bills sent out to consumers. It would be well, here also, to omit pies, by rounding off to nearest anna. With regard to the payments to be made by this Department, the same rule may be applied to items of work in contractor's and Piece worker's bills and bills of firms for supplies obtained from them.

5. Mining Royalty

In paying Royalty due by each of the Companies it may be proposed to Messrs. John Taylor & Sons that pies may be omitted by rounding off fractions to the nearest anna.

6. Securities and Interest Payments.

In all preaudit bills relating to purchase of securities, pies may be eliminated. In calculating commission levied at $\frac{1}{4}\%$ on Promissory Notes purchased and sold and

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and held in custody as security deposits of contractors &c pies may be omitted.

In interest payment and Trust Interest Payment vouchers, legal sanction to pay to the nearest anna is necessary before elimination of pies.

7. Loans, Deposits and Advances.

Pies may be eliminated in all cases of future transactions relating to Deposits, Remittance Transfer Receipts and loans and advance, all items of transactions both on account of credit and debit being to the nearest anna except of course transactions the amount of which is determined under the law.

8. Industrial Concerns.

In the case of amounts drawn on Abstract Contingent bills for capital expenditure of the Industrial concerns, the Director may be asked to recoup to the nearest anna omitting pies in bills.

9. State Huzur Treasury.

It would be a great relief both to the account and cash section of the Treasury, if pies are omitted from accounts.

10. Savings Bank and Provident Fund.

Interest calculations in the case of Savings Bank and Provident Fund may be made to the nearest anna. All the three rates of interest due for an account year may be calculated to the nearest anna, interest on monthly balance at $3\frac{1}{8}\%$ being, however, calculated as at present at the rate of one pie for every two rupees.

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In these two cases rates will have to be modified.

11. Local bodies.

If the Local bodies so desire the orders applicable to Government transactions may also be made to govern the same classes of their transactions.

In the determination of the amount of Income Tax or of a refund payable fractions of an anna less than six pies are disregarded and fractions of an anna equal to or exceeding six pies are regarded as one anna (vide Section 36 of the Mysore Income Tax Regulation V of 1923).

The items pertaining to the Railway Department will be separately reported.

J. Satyanarayana
Comptroller.

U.

Subd with refer: to H. Sanyal's note d: 6¹²/₂₃ . . .

4²/₂₄)

H. Sanyal,

5/2

The inclusion of pies in ~~xxx~~ transactions of receipts and payments involves unnecessary labour of arithmetical calculations in Government offices, in Treasuries and in the Comptroller's Office and it is therefore, desirable to eliminate pies as far as possible. The Government of India also seem to be thin

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V

thinking of solving this problem: vide extract^x from Sir Basil Blackett's Report quoted in the beginning of my note dated 6th December 1923. I referred the question to the Comptroller and he has made detailed suggestions in regard to the kinds of transactions from which pies may be cut out. In the case of payments of all kinds to be made by Government on account of services rendered or materials purchased, I do not think there is any difficulty in introducing this rule immediately. Even in the case of transactions of the nature of deposits, the parties may be required to make their deposits multiples of annas. It is, of course, not right to eliminate pies in the rates at which payments have to be made for ~~pur~~^{xxxx} purchases or for services. What is proposed is that in the final claims of persons against Government either for services rendered or materials supplied, pies should be omitted. It may be a standing rule that wherever possible, less than six pies should be omitted altogether, six pies or more being reckoned as an anna. To begin with, this arrangement may be introduced in respect of payments by Government for services rendered, that is claims to salaries and allowances of all establishments. We have such a rule now in regard to pensions: vide Note under Article 331, M.S.R. and the proposal is to extend this arrangement in respect

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of service payments by Government. In regard to transactions regulated by any kind of contract, the Heads of Departments may be required to ^{arrange} ~~provide for~~ as one of the conditions of the contract, that less than six pies will be omitted from calculations and six pies and more will be counted as an anna. As regards payments to be made under any law, it is not possible to introduce this procedure without legislative authority. Such authority has been taken in the case of income-tax and the question of extending this procedure may be considered later on.

I put up a draft for consideration.

D E W A N.)

250 like the 1st placed
by Govt. with the acct

462

I note below instances to illustrate the different kinds of cases alluded to in the draft.

Para 1 of the draft.-

(1) A, to be paid at Rs.87 per mensem for one day. The exact amount payable is Rs.2-12-10. In this case he would be paid Rs.2-13-0 rounding 10 pies into one anna.

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(ii) B to be paid at Rs.55 per mensem for one day.

The exact amount payable to him is Rs.1-12-4. He would be paid only Rs.1-12-0 omitting four pies.

(iii) Supposing two amounts as under are payable to C on one bill:

(1) Rs.2-12-10 plus ⁽²⁾ Rs.1-12-4 i.e., Rs.4-9-2 in all.

Here the calculation of pies in the individual amounts would not be omitted. The total amount of the bill would be for Rs.4-9-0, omitting two pies.

payable

Para 2 of the draft.-

(i) D, a contractor, to be paid for 100 articles at Rs.1-4-5 each. The total amount payable is Rs.127-9-8. In this case, he would be paid Rs.127-10-0, treating eight pies as one anna.

(ii) D, a contractor, to be paid for 100 units at 7 pies per unit. The total amount payable would be ~~RxxRxx~~ Rs.3-10-4. In this case, he would be paid only Rs.3-10-0, omitting four pies.

In all contracts for purchases of materials or for execution of works, a condition would be inserted to deal with pies as above in settling claims.

Para 3 of the draft.-

Where a person tenders a deposit containing pies, he may be asked to omit pies if that is possible. If deposits containing pies must be received, under any law, this condition will ^{need} not be insisted upon.

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Para 4 of the draft.-

In rates at which payments have to be made either for services rendered or for articles supplied, pies should not be omitted. It is only from the total of a claim to be settled, as calculated according to rates, that pies would be omitted.

Edward

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L
i. L

drafts received 4/10/19

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June.
To all Depts & Compt

Can fill
greatly
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NOTE—Contn. sheet

May this be

- i Printed ? yes
- ii treated as a standing order ? yes
- iii published in the Gazette,
English Part ? yes
- iv translated ? yes
- v placed at the disposal of the press ?
- vi published in the Gazette,
Kannada Part ? yes

Subd for orders with

refers to the above points

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26/3
24

26/5

Draft.

G. F. 204.23-1

S.O.G.

Proceedings of the Government of H.H.
the Maharaja of Mysore.

Subject:- Pies. Elimination of ----
in Government accounts.

No. 715301-64

Dated, Bangalore, the 26th 1924.

With a View to
~~In the interests of simplification~~

and reduction of work, it is desirable to eliminate pies from Government accounts as far as possible. Govt. are accordingly pleased to direct that in the case of payments on account of salaries and allowances, fractions of an anna amounting to six pies or more be reckoned as one anna and the smaller fractions ^{not} be omitted altogether. This rule should be applied in respect of amounts due to individual claimants. If a bill consists of several items and all of them are due to the same individual, the elimination of pies will be in the total ^{amount} of such bill. In the case of bills in which claims for more than one individual are included, the omission of pies will be in respect of the amount due to each claimant.

2 In all Salary, Establt. pension and travelling allowance bills all individual items, whether they pertain to Salaries or allowances of any description, pension or travelling allowance or represent deductions of some sort will be calculated to the nearest anna - fractions below half an anna being omitted and half an anna and over being reckoned as one anna. ~~Dr. 1924~~

3 As regards recoveries of amounts under objection, when all amounts of bills are calculated in annas there can not be any pies in objection books, except in the case of recoveries of advances instalments. These instalments need not be exactly equal and the recoveries should be so fixed as to be always in annas, the last instalment being adjusted as necessary. e.g. a motor car advance of Rs. 5000 to be repaid in 36 instalments should be recovered as follows: 35 instalments of Rs. 138-14-0 and a last instalment of the balance of Rs. 139-6-0 -

The adoption of the same procedure in regard to payments for purchases made or payments due to contractors for work done would simplify calculations and accounting. The Heads of

Departments and Deputy Commissioners are accordingly requested to provide for a condition of this kind in the relative contracts so that amount of five pies and less may be omitted and ~~more~~ of six pies and more reckoned as one anna.

5 ~~to~~ In the case of deposits also, it is desirable to avoid pie's as far as possible and this rule may be kept in view in ^{the} receipt and return of deposits.

6 ~~to~~ Pies should ~~be~~ not be omitted ^{from} in the rates at which payments ~~have~~ are to be made either for services rendered or for supplies obtained and their elimination should be limited to ~~the~~ amounts payable to ~~individual~~ claimants.

7 ~~to~~ The procedure of omitting pies will not ~~also~~ apply to cases in which payments involving pies are due under any law.

Financial Secretary to Government.

To

- ✓ The Heads of Departments.
- " Secretaries to Government.
- " Deputy Commissioners of Districts.

Proceedings of the Government of His Highness
the Maharaja of Mysore.

Subject.-Pies. Elimination of ----- in Government Accounts.
Order No.

Dated, Bangalore the March 1924.

With a view to simplify and reduce work, it is desirable to eliminate pies from Government accounts as far as possible.

2. In all salary, establishment, pension and travelling allowance bills all individual items, whether they pertain to salaries or allowances of any description, pension or travelling allowance or represent deductions of some sort will be calculated to the nearest anna- fractions below half an anna being omitted and half an anna and over being reckoned as one anna.

3. As regards recoveries of amounts under objection when all amounts of bills are calculated in annas there cannot be any pies in objection books, except in the case of recoveries of advances in instalments. These instalments need not be exactly equal and the recoveries should be so fixed as to be always in annas, the last instalment being adjusted as necessary e.g. a motor car advance of Rs.5000 to be repaid in 36 instalments should be recovered as follows :-

35 Instalments of Rs.138-14-0 and a last instalment of the balance of Rs.139-6-0.

4. The adoption of the same procedure in regard to payments for purchases made or payments due to contractors for work done would simplify calculations and accounting. The Heads of Departments and Deputy Commissioners are accordingly requested to provide for a condition of this kind in the relative contracts so that amounts of five pies and less may be omitted and those of six pies and more reckoned as one anna.

5. In the case of deposits also, it is desirable to avoid pies as far as possible and this rule may be kept in view in the receipt and return of deposits.

6. Pies should not be omitted from rates at which payments are made either for services rendered or for supplies obtained and their elimination should be limited to amounts payable to claimants.

7. The procedure of omitting pies will not apply to cases in which payments involving pies are due under any law.

Sd/- M. N. Krishna Rao
Financial Secretary to Government.

To

The Heads of Departments.

The Secretaries to Government.

The Deputy Commissioners of Districts.

Mk. 5.

Press Table - Bangalore

For Dist Secy

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Government of His Highness the Maharaja of Mysore.

FINANCIAL DEPARTMENT.

G. O. No. FL. 5301-64—G. F. 204-23-1, dated 26th March 1924.

Pies.

Elimination of — in Government Accounts.

ORDER No. FL. 5301-64—G. F. 204-23-1, DATED 26TH MARCH 1924.

With a view to simplify and reduce work, it is desirable to eliminate pies from Government accounts as far as possible.

2. In all salary, establishment, pension and travelling allowance bills all individual items, whether they relate to any of these claims or represent deductions of some sort will be calculated to the nearest anna—fractions below half an anna being omitted and of half an anna and over being reckoned as one anna.

3. As regards recoveries of amounts under objection, when all amounts of bills are calculated in annas, there cannot be any pies in objection books, except in the case of recoveries of advances in instalments. These instalments need not be exactly equal and the recoveries should be so fixed as to be always in annas, the last instalment being adjusted as necessary, e.g., a motor car advance of Rs. 5,000 to be repaid in 36 instalments should be recovered as follows:—

Thirty-five instalments of Rs. 138-14-0 and the last instalment of the balance of Rs. 139-6-0.

4. The adoption of the same procedure in regard to payments for purchases made or payments due to contractors for work done would simplify calculations and accounting. The Heads of Departments and Deputy Commissioners are accordingly requested to provide for a condition of this kind in the relative contracts so that amounts of five pies and less may be omitted and those of six pies and more reckoned as one anna.

5. In the case of deposits also, it is desirable to avoid pies as far as possible and this rule may be kept in view in the receipt and return of deposits.

6. Pies should not be omitted from rates at which payments are made either for services rendered or for supplies obtained and their elimination should be limited to amounts payable to claimants.

7. The procedure of omitting pies will not apply to cases in which payments involving pies are due under any law.

M. N. KRISHNA RAO,
Financial Secretary to Government.

To—The Heads of Departments.
The Secretaries to Government.
The Deputy Commissioners of Districts.
The Compiler, *Mysore Gazette*.

Exd.—K. K.